

E-HRM: A BOON OR BANE

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ABSTRACT

Nothing is constant but change holds true in this ever transforming business world, technological advancements are one of the powerful driving forces. It has redesigned the way we live, communicate, work and also the way business is conducted. The technology and digitized business communications have enhanced and reformed various organizational activities. The impact of this IT revolution can be seen in every profession and in all functions of management as well. Like all vocations, Human Resource Management (HRM) has been progressively affected by the ongoing emergence of new technologies. For instance, the introduction of the "Human Resource Information System" (HRIS) two decades ago has brought about a paradigm shift and resulted in greater efficiency and automation for people management.

With the advancement of web technologies during the past few years, we have witnessed the origination of Electronic Human Resource Management (e-HRM) which, as indicated by experts, is a much more potent enabler in transforming the role of Human Resource (HR) from a mere advising staff function to a more strategic line function becoming an administrative expert, an employee champion a business partner and a change agent. But of course, the accessibility and availability of an enabler doesn't assure successful transformation. This paper focuses on the advantages and disadvantages of e-hrm and discusses whether it is a boon or bane in today's corporate scenario.

Key words: Human Resource Management, Electronic Human Resource Management, Automation, Business partner, Change agent

"E-HRM costs money, but ignoring e-HRM costs a fortune. Modern technology can be helpful in creating a strategic HRM-policy, reducing costs, higher productivity, increasing quality of your labor force and more responsibility of managers and employees in the execution of HRM-tasks. Your organization cannot miss this surplus value." (EHRM; 2006)

INTRODUCTION

E-HRM is the planning, implementation and application of information technology for networking and supporting at least two individuals or collective actors in their shared performance of HR activities

"Technological optimistic voices want us to believe that, from a technical perspective, the IT possibilities for HRM are endless: in principal all HR processes can be supported by IT. E-HRM Is the relatively new term for this IT supported HRM, especially through the use of web Technology" (Ruel et al.; 2004).

As defined by Kettley P and Reilly P (2003), a Computerized Human Resource Information System (CHRIS) consists of "a fully integrated, organization-wide network of HR related data, information, services, databases, tools and transactions." Such a system can be described as e-HR, meaning the application of conventional, web and voice technologies to improve the HR administration, transactions and process performance.

As stated by Ernst Biesalski "Electronic-Human Resource Management (E-HRM) is a web based tool to automate and support HR processes. The implementation of E-HRM is an opportunity to delegate the data entry to the employees. E-HRM facilitates the usage of HR market places (e-recruitment) and offers more self-service to the employees. E-HRM is a collection of many different technologies."

Mary Gowan has defined Electronic Human Resource Management System (E-HRM

System) as a web-based solution that takes advantage of the latest web application technology to deliver an online real-time human resource management solution. It is comprehensive but easy to use, feature-rich yet flexible enough to be tailored to your specific needs.

As said by MS Kauffman “An automation system is a precisely planned change in a physical or administrative task utilizing a new process, method, or machine that increases productivity, quality and profit while providing methodological control and analysis. The value of system automation is in its ability to improve efficiency; reduce wasted resources associated with rejects or errors; increase consistency, quality and customer satisfaction; and maximize profit.”

THE TECHNOLOGICAL SHIFT

Technological advancement is one of the powerful driving forces. The exploitation of HR Technology and its various workforce

applications were only intense in larger business associations, ever more; the effective use of technology is now considered a key factor in the successful management of human capital in organizations of all sizes. The constant development of technology synchronized with more savvy use of the internet is facilitating smaller organizations, to have access to applications, such as automated payroll, time and attendance systems, application tracking/recruitment software, networks and intranets, that ease communication benefits and assists employees self-service and workforce data and analytics. The impact of E-HRM technology on the HR system would always be dependent on the way the technology is used. It is dependent on what and how the technology ropes in the HR function but also on how the technology is created or constructed. This in turn affected by the organizations vision and its objectives it is trying to accomplish with the use of technology. The E-HRM objectives and the actual use of the E-HRM technology thus have an impact on the HR system.

E-HRM MODEL

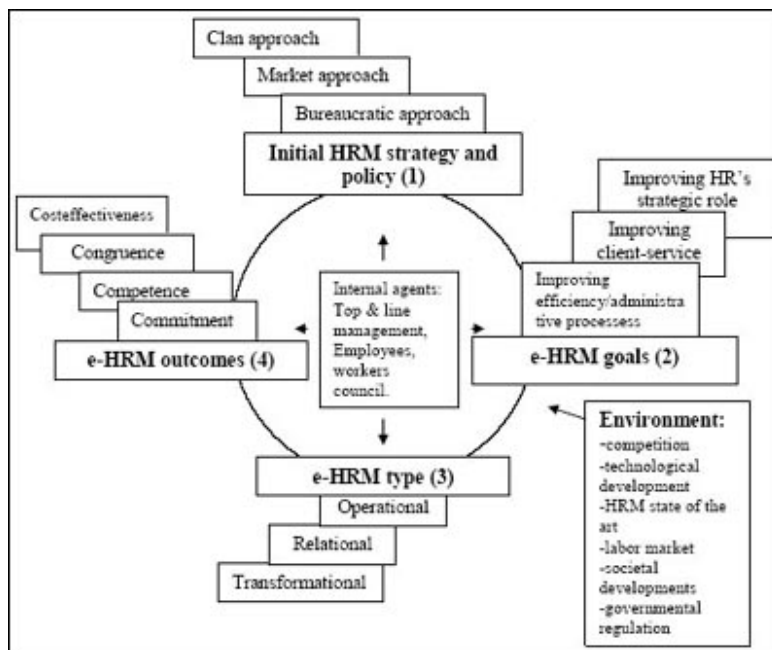


Fig. 1: E – HRM Model (Source: Ruël, Bondarouk and Looise (2004))

This model developed by Ruël, Bondarouk and Looise (2004), provides sort of a structure to all existing literature on E-HRM. It combines different authors' views and findings and creates a framework. The framework focuses on the HRM strategy and policy, moving on to E-HRM goals, types and finally the outcomes.

OBJECTIVES

E-HRM is designed to achieve the following objectives:

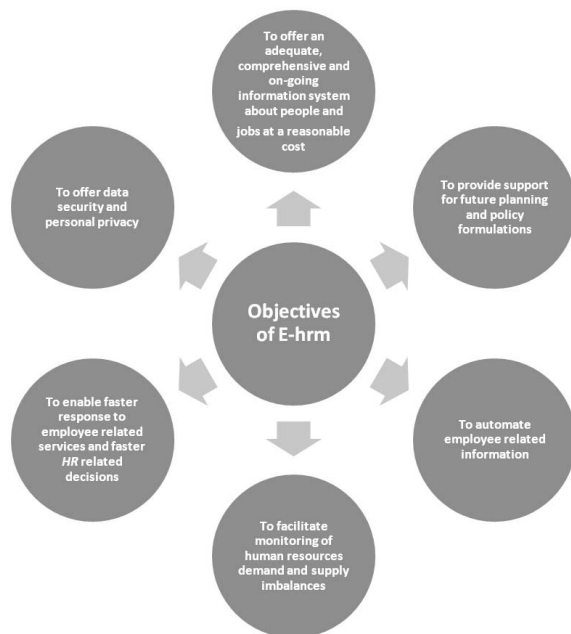


Fig.2: Objectives of E-HRM

ADVANTAGES

- ❑ E-HRM has the potential to influence both efficiency and effectiveness.
- ❑ Efficiency can be obtained by reducing the cycle times for meting out paper work, increasing data precision, and reducing excess HR.
- ❑ Effectiveness can be affected by improving the competence of both managers and employees to make better, quicker decisions.

- ❑ Amplified and easy access to HR data and ease in classifying and reclassifying data.
- ❑ A higher internal profile for HR leading to better work culture.
- ❑ It leads to a more transparent system.
- ❑ Considerable reduction of administrative burden
- ❑ Provides Integral support for the management of human resources and all other basic and support processes within the company
- ❑ A more forceful workflow in the business process, productivity and employee Satisfaction
- ❑ E-HRM can save costs while maintaining the quality of data
- ❑ Decentralization of HR tasks

DISADVANTAGES

- ❑ **Illicit Access:** One of the basic disadvantages of using E-HRM is that the data gets free accessible to all and anybody can access the strategic information and use it any way without any authorization. It is prone to corruption/hacking/data losses.
- ❑ **Specialized Knowledge:** one of the advantages of E-HRM is that it may help the organization to reduce the cost HR personnel, though it could increase the requirements for technical staff with knowledge specific technology and functional area as well.
- ❑ **Data Entry Errors:** E-HRM can only perform as good as its human programmers and end users.
- ❑ **Low interpersonal contact:** The use of E-HRM can estrange staff members that need personal support as it reduces the need for managers to interact with staff
- ❑ **Improper use due to rigid mindsets:** In order to make proper use of E-HRM, it becomes very necessary for the staff to change their mindsets, as many people still have certain inhibitions in using technology in certain facets of their profession. If this

transformation in technology is not synchronized with transformation in the mind set and culture of the organization it can lead to a financial fiasco.

- **Threat to HR Itself:** The propensity of being dependent on technology will reduce the reliance on manpower, thus it poses a great risk on the basic foundation of HR, where the Human resources are considered as an asset and capital to achieve organizational objectives and fulfill the mission and vision of the company.

E-HRM IS A BOON OR BANE?

The Use of technology and Information systems have been a blessing in disguise in making the business processes more effective and efficient, along with saving costs and making the tasks more accurate and less time consuming. Most of the modern day business houses prefer to use the state of the art technological infrastructure and applications. Though the uses of technological updations have benefited the organizations but it can be disastrous as the easily accessible data can be collected without authorization and can be misused. Also at times the rigid mindsets of people can pose a great challenge to the application of E-HRM. Therefore the mindsets of employees and line managers need to be changed, they have to comprehend and recognize the usefulness of E-HRM and its tools.

CONCLUSION

The transformation of Traditional HR to strategic HR where it not only plays the role of an administrative expert, but also becomes the employee champion, a change agent and a business partner has been majorly possible

with the use of technological tools and applications, i.e. E-HRM. With the various advantages and little disadvantages it can be recommended that all the organizations use E-HRM technology, that promises to provide a useful, efficient and Increased performance through this e-HRM technology in spite of all barriers it has to face.

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